



Productivity Today

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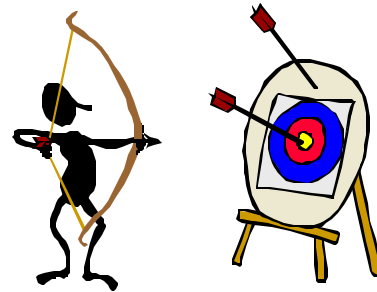
Published Quarterly

Value Engineering Quarterly Goals

Good News! As a command, OSC's Value Engineering (VE) savings have exceeded our 40% target for the second quarter. Total savings so far this fiscal year equals \$9.7M; 47% of our annual goal. The results are below:

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ARDEC	\$3.2M	68%
CAAA	832K	49%
TEAD	438K	44%
WVA	540K	42%
BGAD	90K	9%
McAAP	456K	24%
SIAD	57K	6%
RIA	323K	11%
FSC	616K	34%



Several of our installations are having more difficulty then others in reaching their quarterly targets. Please call our staff for assistance in training, idea generation sessions, or workshops.

As we enter into 3rd quarter's 70% target, we would like to encourage all installations to build momentum to move us through third quarter and into our final fiscal year closeout.

KEEP UP THE GREAT WORK! THANK YOU.

Mary Rus, rusm@osc.army.mil, DSN 793-4552

U.S. Army Operations Support Command (OSC) Value Engineering Awards Fiscal Year 2000

Major General Wade H. McManus presented the FY 2000 OSC Value Engineering Achievement Awards to commanders whose installations surpassed their FY 2000 VE goals. The following commanders and their respective VE program managers received VE award plaques at the March 2001, OSC Commanders' Conference: Brigadier General Jerome Johnson, Commander, U.S. Army Field Support Command; Colonel Jackey L. Edwards, Commander, Blue Grass Army Depot; Colonel John R. Loyd, Commander, Crane Army Ammunition Activity; Colonel Patrick Dunkle, Commander, McAlester Army Ammunition Plant; Colonel Randall D. Corbin, Commander, Rock Island Arsenal; Colonel Moses Whitehurst, Commander, Sierra Army Depot; Colonel Johnnie Cook, Commander, Watervliet Arsenal; and Lieutenant Colonel Gary B. Carney, Commander, Tooele Army Depot. Major General McManus praised the Commanders and the VE staff for their leadership, professionalism, and expertise leading to the success of the VE program. Improving productivity and reducing costs through the VE program achieved savings in excess of \$20 million during FY 2000.

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Combat Equipment Group – Afloat (CEG-A) VE Training

Charles Cell and Robert Roehlk conducted a Value Engineering Workshop at CEG-A, Goose Creek, SC 17-19 April 2001. There were 21 CEG-A contractor and government employees in attendance. The workshop syllabus includes instruction in function analysis techniques, other supporting analytic techniques, and a review of the contractual aspects of Value Engineering. Government and contractor attendees identified several potential Value Engineering study topics as well as began work on two possible Value Engineering Change Proposals. The OSC VE team met with contractor and CEG-A Government personnel with specific responsibility for contracting and reviewed the VE provisions in the Federal Acquisition Regulation (FAR). These individuals learned how to use these provisions from the FAR to reduce cost, improve operations and for the contractor to increase their profit. Both the Government and contractor realized the benefits of using the VE incentive clause.

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What Isn't VE?

VE is team problem-solving technique developed at General Electric Company in the late 1940s. VE uses a systematic application of accredited techniques to identify the function of a product, process, or service. It shifts the viewpoint of the problem solver and maps out a positive course of action to remove both unnecessary cost and generate new ideas.

The question is, what isn't VE? You can apply VE in wherever you desire to improve cost and/or performance. VE is successfully used in the areas of defense, automotive, aeronautical, software development, water treatment, civil engineering, and much more. Moreover, VE is very effective in "soft areas" such as client services, word processes, documentation, organizational development, and other white collar areas.

Does VE ever stop? Not quite! Our technology is constantly on the move. As VE practitioners and others exposed to the VE methodology, we must continue to apply our knowledge of VE to continue improvement. VE is our life and it should be yours.

Bottom line. What isn't VE? If you find it, let me know! We will write a new chapter in the *How to Manual*!

Bob Combs, combsr2@osc.army.mil, DSN 793-7770

Congratulations!

For achieving your
Second Quarter VE
Goal!

- Crane Army Ammunition Activity
- Tooele Army Depot
- Watervliet Arsenal
- U.S. Army Armament, Research, Development, and Engineer-

Watervliet Arsenal VEP Allows Instant Access of Database

Watervliet Arsenal recently submitted a VEP that will significantly reduce the cost associated with the administration, processing, and filed unit inquiries of the gun weapon data cards. Over the next three years, this VEP will generate savings of \$540K by eliminating the use of gun weapon data cards. Under the proposed method, field users will log the gun weapon data through an established web site database. This database will allow all field users instant access of gun weapon data. Good job Watervliet!

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Value Engineering Training at Rock Island Arsenal (RIA)

Charles Cell and Deidre Eaton conducted a two-day Principles of Value Engineering workshop at RIA on 21-22 Feb 2001. The class covered the VE methodology, Function Analysis System Technique, class exercises, and a modified Target of Opportunity Panel. During the workshop, students were enthusiastic to learn the benefits of working in teams and using brainstorming and creative techniques to improve processes or products. In addition, students used the VE tools they learned to solve class exercises and projects. During the Target of Opportunity Panel, students identified several areas for potential VE studies: manufacturing operations, logistics, and base operations.

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Productivity Enhancement Program (PEP)

On 25 October 1999, the Secretary of the Army approved the concept of the initial funding that established the Productivity Enhancement Program (PEP). The PEP's objective is to provide funds to organizations to facilitate execution of good ideas that enhance efficiencies and generate a quick return on investments. Projects may come from sources such as completed organizational self-assessments, reinvention/reengineering initiatives, functional reviews, new state of the art technologies, results from benchmarking efforts, process action team studies, or unfinanced requirements that meet PEP guidelines.

Army organizations submitted 32 proposals for the Fiscal Year 2000 competition. The Strategic Management and Innovations Division, Directorate of Management, Office of the Chief of Staff of the Army screened and reviewed the projects for compliance and completeness. They threw out nine projects because the projects were not within the PEP scope. The PEP Executive Board approved 7 of the 23. In ranking the FY 2000 projects for funding, the most favored projects were innovative and projected savings while improving the efficiency and effectiveness of Army organizations. The projects also demonstrated one or all of the following, not in order of importance: 1) potential for Army wide applicability; 2) significant impact on the quality of life of soldiers and family members; and 3) use of commercial off the shelf (COTS) automation projects. The least favored projects were operational mission requirements (computer hardware); automation technology that is continually advancing (virus software); or contracts for multiple year development or funding.

This year's competition closed 30 March 2001. Installations should look for the next PEP competition around the same time frame. When submitting proposals, installations should ensure the proposals include a cost analysis that fully describes current costs, investment costs, and any savings derived from the implementation, and have a proposed execution date of 1 September 2002. You can get additional information on the program by viewing www.hqda.army.mil/leadingchange/PEP/index.htm.

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“Up and Coming” Commercial Activities A-76 Guidance

The Department of Defense (DOD) saw the need for additional guidance in the area of Commercial Activities (CA), so the Deputy Under Secretary of Defense for Installations developed a series of handbooks and a costing manual to convey best practices and lessons learned from A-76 cost comparisons.

When DOD developed the series, they used a variety of sources from the services and industry. They conducted interviews and organized review sessions with working level employees who were actually doing cost comparisons, headquarters level management, and contractors doing the bidding and consulting.

While the A-76 Costing Manual is in its final version and mandatory, the handbooks are not. DOD does encourage using the best practices and lessons learned in the handbooks.

Here's a list and a brief description of each:

- o **Handbook #1 - Component Centralized Management Techniques That Improve the A-76 Cost Comparison Process**

Explains Centralized Management as an organization above the local-level that oversees and controls the cost comparison process. The same experienced people would perform the various stages of the process. The handbook points out this approach can improve quality, timeliness, and consistency, but lists advantages and disadvantages that we must weigh.

- o **Handbook #2 - Getting Started**

Discusses procedures for announcing and planning the cost comparison, packaging commercial activities, setting up the CA team, establishing milestones, and deciding on an acquisition strategy.

- o **Handbook #3 - Acquisition Actions**

Explains the CA acquisition processes to both Contracting Officers and those participating in the cost comparison study. The handbook recognizes there are times when the A-76 regulations and acquisition rules in the Federal Acquisition Regulation (FAR) overlap and offers best practices when working with these situations.

- o **Handbook #4 - Developing the Performance Work Statement (PWS) and Quality Assurance Surveillance Plan (QASP)**

Describes the Performance-Based approach for developing the PWS to identify the Government's requirements and standards with the emphasis on outcomes and results. Discusses different approaches to processing workload data and selecting performance measures. Written for all personnel involved in developing a PWS and QASP.

- o **Handbook #5 - Developing the Government Management Plan**

Outlines the contents of the Government Management Plan. Provides a detailed "how to" approach and samples for the development of the Most Efficient Organization (MEO), Performance Work Statement (PWS), Transition Plan, and Technical Performance Plan (TPP).

- o **Handbook #6 - Human Resource (HR) Actions**

Reviews the rules, regulations, and responsibilities of HR before, during, and after the Cost Comparison. Also provides an A-76 overview to the new HR Specialist.

- o **Handbook #7 - Public Review and the A-76 Administrative Appeal Process (AAP)**

Explains in detail how the AAP works from Bid Opening to completing the AAP After Action Report. Describes the roles of those involved in preparation and review of an appeal. Provides advice and information through examples of recent GAO decisions.

- o **Handbook #8 - Making the Cost Comparison Decision and Post A-76 Actions**

Walks through the steps involved in making and implementing the cost comparison decision. Addresses transition plan, quality control, and other post A-76 actions necessary to track performance and costs.

- o **Costing Manual**

(Continued on page 5)

(Continued from page 4)

Standardizes DOD policies and procedures for developing the Government's In-House Cost Estimate.

There are several unique attractions to DOD's new guidance:

- o There are sample forms, plans, reports, and a case study throughout the guidance.
- o The handbooks are cross-referenced, integrated, and linked with each other.
- o "Tip boxes" highlight special interest information, information directed to a particular audience, summarize information, or make references to another handbook.
- o "Link boxes" take you to additional information either in the handbook or to external links on the Internet.

You can find the handbooks and manual on our CA Web site at <http://www.osc.army.mil/rm/rmp/LibMain.htm> under the heading "Draft DOD A-76 Handbook Series".

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Conference Controls News

The Special Programs Team presented a briefing on Conference Controls at the Pre-Commander's and Commander's Conferences on the 13th and 20th of March 2001. One of the commanders expressed a concern that users could easily misinterpret the training and mission inherent blocks of the Conference Decision Tree. To help prevent this, we have provided clarification of those terms below:

Question – What is training?

Answer – Training is instruction or education that you provide in a classroom setting. We also classify workshops as training. Facilitators rather than instructors lead workshops, and significant amounts of the learning take place through exchanges of ideas between participants. One of the purposes of the training should be to improve individual and/or organizational performance.

Question – What is mission inherent?

Answer – Conferences and meetings that are mission inherent are location specific. Ask yourself, "Can we hold this conference at another location?" If the answer to this question is yes, then most likely the conference is not mission inherent. Good examples of mission inherent conferences are command assessments, audits, or inspections of specific installations. It would not be feasible to hold these conferences at locations, other than the installations you are reviewing.

Craig Borgh, borghc@osc.army.mil, DSN 793-4933

Secretary of Defense (SECDEF) Productivity Excellence Awards

This year, OSC nominated Team Hawthorne for the 17th Annual SECDEF Productivity Excellence Awards for achieving a savings of \$1.438 million during their completion of the M687 demilitarization project. The Chemical Weapons Convention mandated that we demilitarize 202,000 binary projectiles by April 1999. The team of professionals at Hawthorne Army Depot and other participants partnered together to achieve a technology solution of recycling M687 projectiles. Team Hawthorne efforts resulted in the demilitarization and recycling of 100 percent of the metal components of the 202,000 binary projectiles. The SECDEF will announce the winners of the Productivity Excellence Awards at the Pentagon on 15 May 2001.

The HQDA has provided us with additional requirements for the SECDEF Productivity Excellence Award nominations:

- All nominees must be U.S. Government employees. Non-government or contract personnel are not eligible.
- The SECDEF limits the number of individuals included in the nomination to five persons total.

Since our Hawthorne nomination did not meet the above requirements, HQDA did not forward it to the SECDEF for further consideration.

Other requirements for SECDEF Productivity Award nominations are as follows:

- The nomination must include a saving of \$1 million for a one-year time period - not necessarily during any one fiscal or calendar year, but a one-year total time period.
- The nominated idea must result from a person's (or group's) own initiative rather than assigned work, and must not fall inside of their normal job responsibilities, requirements, or expectations. This action may include ideas submitted under Value Engineering or Army Ideas for Excellence Programs, since the SECDEF Productivity Excellence Awards are non-monetary in nature.
- Some person, group, or organization must have previously recognized the individual or individuals for the action for which you are nominating them. Recognition may be either monetary or non-monetary. This is a requirement for the nomination.
- Nomination packages must be brief, but comprehensive. The SECDEF limits the packages to four pages. We will provide a sample format with the datacall next November or December 2001.
- The nomination package must include all review and approval signatures.

Chester Lind, lindc@osc.army.mil, DSN 793-4649

There are three things which if one does not know, one cannot live long in the world: what is too much for one, what is too little for one, and what is just right for one.

Creative Proverbs from the... **Swahili Culture**

Background: Swahili, also called Kiswahili, is a Bantu language primarily of Eastern Africa.

Army Ideas For Excellence Program (AIEP) - Good Ideas Month -

April is "Good Ideas Month" on Arsenal Island. The U.S. Army Operations Support Command (OSC), the U.S. Army Field Support Command, the U.S. Army Munitions and Armaments Command, the Tank-Automotive and Armaments Command – Rock Island, and the Rock Island Arsenal AIEP staffs work together as a team to promote Good Ideas Month on the "Rock".

Good Ideas Month is an annual event designed to promote the AIEP. Formerly known as the Suggestion Program, AIEP gives employees at all levels a chance to share their ideas for improvements.

We will have special displays in the Main Post Food Court, and other locations on post. These include display areas and informational handouts. We (the AIEP staff) answer questions that suggesters and evaluators have concerning the AIEP.

AIEP proposals can produce tangible benefits (i.e. monetary savings), or intangible benefits (i.e. quality of life improvements), or both. Generally, cash awards for tangible benefits are equal to 10 percent of the first-year validated tangible savings produced by the proposal. When the savings exceed \$10,000, the AIEP uses a diminishing scale to figure the total award. We base cash awards for intangible benefits on the value of the benefit and the extent of its application.

The AIEP welcomes anyone and everyone to submit AIEP proposals, including civilian and military employees, retirees, contractors, and family members. However, only active civilian and military employees are eligible to receive cash awards. We also welcome team and group proposals. The AIEP splits the award equally between the team and group members.

In your proposal, state a problem, an actual solution, and the benefits of the proposal. Submit your proposal on a DA Form 1045 signed by you. The AIEP staff will forward your proposal for evaluation, keep you informed of the progress, provide you with a copy of the final evaluation, and process your award.

We are also encouraging the other OSC installations to promote April as "Good Ideas Month" at their locations.

Gloria J. McKinney, mckinneyg@osc.army.mil, DSN 793-6989

Famous Quotes from Innovative Americans Born in April

There are no secrets to success: Don't waste time looking for them. Success is the result of perfection, hard work, learning from failure, loyalty to those for whom you work, and persistence. **Colin Powell (1937-____) born on Apr 5**

I have learned that success is to be measured not so much by the position that one has reached in life as by the obstacles which he has overcome while trying to succeed. **Booker T. Washington, US educator, social reformer. (1856-1915) born on Apr 5**

Once you replace negative thoughts with positive ones, you'll start having

Management Controls Program News

The General Accounting Office (GAO) currently has four Internal Controls publications available to assist you. We have listed them below. You will need Adobe Acrobat Reader software to read the publications on the web.

1. *Standards for Internal Control in the Federal Government (GAO/AIMD-00-21.3.1).*

The GAO issued these standards in November 1999. All responsible managers should be knowledgeable of these standards. You may access the publication through the web at <http://www.gao.gov/special.pubs/ai00021p.pdf>.

2. *EXPOSURE DRAFT, Internal Control Management and Evaluation Tool (GAO-01-131G).*

The GAO released this publication in February 2001 for review and comments. The GAO is basing the new tool on GAO's ***Standards for Internal Control in the Federal Government***. The publication will provide a systematic, organized, and structured approach to assessing the internal control structure. You should use this publication in conjunction with GAO's ***Standards for Internal Control*** and the Office of Management and Budget Circular A-123, ***Management Accountability and Control***. You may access the publication at <http://www.gao.gov/cgi-bin/getrpt?rptno=gao-01-131G>.

3. *Determining Performance and Accountability Challenges and High Risks (GAO-01-159SP)*

In this publication, GAO highlights the criteria and process for determining performance and accountability challenges and those that GAO has deemed to be high risks. You may access the publication at <http://www.gao.gov/special.pubs/d01159sp.pdf>.

4. *Streamlining the Payment Process While Maintaining Effective Internal Control (GAO/AIMD-00.21.3.2)*

This publication summarizes the guidance that GAO has provided to various agencies when they have streamlined payment systems and reduced costs. In each case, GAO summarized the agency's design and GAO's position with regard to the internal controls in the design. You may access the publication at <http://www.gao.gov/special.pubs/ai2132.pdf>.


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Updated Conference Controls Web Page

Please see our updated Conference Controls Web Page @ <http://www.osc.army.mil/rm/rmp/ConfCntl.htm>

We have added (1) definitions for the Conference Decision Tree; (2) round trip airfares from OSC installations to Moline IL, Albany NY, and Reno NV; (3) FY01 Contract City Pairs for Moline IL; (4) a link to the General Services Administration Website; and (5) the FY01 OSC Conference Schedule for the remainder of this Fiscal Year.

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Alone we can
do so little;
together we can
do so much.

ARMY IDEAS FOR EXCELLENCE PROGRAM (AIEP) PROPOSAL

For use of this form, see AR 5-17, the proponent agency is OCSA
(See Privacy Act Statement and Instructions on Reverse. **DO NOT FORWARD TOP PORTION TO EVALUATOR.**)

1. Suggester Information

a. NAME OF SUGGESTER (Last, First, MI)	b. SSN	c. GRADE
d. POSITION	e. TITLE	
f. INSTALLATION OR ACTIVITY (Complete office address)		g. OFFICE TELEPHONE (AV and Commercial)
h. HOME ADDRESS (If you prefer to have communications on the suggestion sent to that address)	i. SUGGESTER'S STATUS <input type="checkbox"/> Direct Hire Civilian <input type="checkbox"/> Active Military <input type="checkbox"/> Indirect-Hire Local <input type="checkbox"/> Other (Specify)	

2. I, the suggester, acknowledge the following:

<i>The acceptance by me of a cash award or other form of recognition for this suggestion shall constitute an agreement that the use of the suggestion by the United States shall not form the basis of a further claim of any nature upon the United States by me, my heirs, or</i>	a. SIGNATURE OF SUGGESTER
	b. DATE

3. Suggestion Information

a. SUBJECT OF SUGGESTION	b. PRESCRIBING DIRECTIVE AND DATE (If applicable)	c. SUGGESTION NO.
d. DESCRIBE CURRENT PROCEDURE (If more space is needed, continue on a separate sheet.)		
e. DESCRIBE PROPOSED PROCEDURE		
f. BENEFITS IF ADOPTED		

4. Program Coordinator Acknowledgment

Thank you for your suggestion. It has been assigned a number (shown in block 5c above). Your suggestion will be given careful consideration	a. SIGNATURE	b. DATE
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To:

WE'RE ON THE WEB!
<http://www.osc.army.mil/rm/rmp/>
